



ENERGY ASSURANCE DAILY

Wednesday Evening, March 12, 2008

Electricity

Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey Operating at 92 Percent March 12

Despite reports within the power market that the unit had shut, Exelon representatives confirm the nuclear unit is continuing to operate at 92 percent power.
Reuters, 09:16 March 12, 2008

Progress Energy Seeks Florida PSC's Approval of Proposed 2,200 MW Nuclear Plant in Florida

Progress Energy Florida has recently asked the Florida Public Service Commission for approval to build two nuclear units in Levy County, Florida. The new nuclear plant would have an estimated capacity of 2,200 MW with costs totaling approximately \$14 billion for the two units and an additional \$3 billion for the necessary transmission facilities. The Progress filing comes a day after the PSC staff recommended that regulators approve FPL Group's need petition for two new reactors in south Florida.

<http://www.reuters.com/article/bondsNews/idUSN1160205320080311>

http://www.bizjournals.com/tampabay/stories/2008/03/10/daily17.html?ana=from_rss

Panda Energy Plans 500 MW Gas-fired Plant in Texas

Panda Energy announced plans March 11 to build a 500 MW natural gas-fired power plant in Sherman, Texas. Pending regulatory approval and other conditions, a Panda representative said the company hopes to bring the unit online in early 2012.

<http://www.platts.com/Electric%20Power/News/6813560.xml?p=Electric%20Power/News&sub=Electric%20Power>

OPG's 490 MW Nanticoke Coal-fired Unit 1 in Ontario Shut March 12

Ontario Power Generation's (OPG) Nanticoke unit 1 was shut for short work March 12. Electricity traders estimated the unit would return within a week.

Reuters, 10:35 March 12, 2008

Reuters, 10:52 March 12, 2008

OPG's 490 MW Nanticoke Coal-fired Unit 8 in Ontario Shut March 12

Ontario Power Generation's (OPG) Nanticoke unit 8 was shut for short work March 12. Electricity traders estimated the unit would return within a week.

Reuters, 10:35 March 12, 2008

Reuters, 10:52 March 12, 2008

OPG's 494 MW Lambton Coal-fired Unit 3 in Ontario Shut March 12

Ontario Power Generation's (OPG) Lambton unit 3 was shut for short work March 12. Electricity traders estimated the unit would return within a week.

Reuters, 10:28 March 12, 2008

Reuters, 10:52 March 12, 2008

U.S. Gasoline at the Pump Highest Price in History; Largest Increases in Lower Atlantic, Gulf Coast and West Coast

According to the Energy Information Administration's recent *This Week in Petroleum* publication, gasoline prices rose on average in all regions of the country, with major spikes reported in the Lower Atlantic, Gulf Coast region and West Coast. The U.S. average retail price reached its highest point in history at \$3.225 per gallon. The average price of gasoline within the West Coast states remained the highest of any region in the country, increasing 7.1 cents to reach the average price of 345.7 cents per gallon. California was said to be the major influence for the price increase. Gasoline prices within the Lower Atlantic area rose 3.1 cents to an all-time high record of 320.8 cents a gallon. The Gulf Coast average gasoline price increased 4.3 cents to 313.1 cents per gallon, the highest price in history for the region.

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Valero Reduces Gasoline Production at Refineries upon High Crude Prices Weakening Profit Margins

Valero's CEO announced March 11 that the company has slightly reduced gasoline production from its refineries as crude prices continue to soar creating weak profit margins for the company, citing the Upper Midwest as a site for curtailing rates at some fluid catalytic cracking units. Also noted as an indication of profit margins, the Chicago gasoline crack spread, was negative for much of February.

Reuters, 16:26 March 11, 2008

Valero's 295,000 b/d Port Arthur, Texas Refinery Running at Reduced Rates throughout March

According to a Valero representative, the company's Port Arthur refinery will be running at 260,000 – 270,000 b/d levels through the end of March in order to balance the refinery's crude inventories ahead of ongoing work on a coking unit.

Reuters, 20:28 March 11, 2008

Natural Gas

Natural Gas Pipeline Explosion off Louisiana Coast Injures Six, Tennessee Gas Pipeline Company Declares Force Majeure March 12

El Paso Corporation's Tennessee Gas Pipeline Company declared a force majeure on contractual supply obligations March 12 because of an explosion on a nearby competitor-owned natural gas pipeline off the coast of Louisiana in the Gulf of Mexico. The U.S. Coast Guard is reporting that the explosion injured six crew members of a maintenance vessel and left one missing.

<http://www.reuters.com/article/OILPRD/idUSN1221756820080312>

<http://tebb.epenergy.com/ebb/notices/NoticeView.asp?sPipelineCode=TGP&sSubCategory=Critical&sNoticeId=119749>

Gazprom Selects StatoilHydro to Help Develop the World's Largest Untapped Offshore Natural Gas Field

The Shtokman project, the world's largest untapped offshore natural gas field, is located hundreds of miles offshore Russia in deep, icy waters of the Barents Sea. Gazprom selected StatoilHydro to help tap the Shtokman project by 2013 as planned yet industry analysts question when the arctic field will start producing gas. Due to technical challenges, as well as location, most are predicting a delay of the official start-up date to slip by several years.

http://online.wsj.com/article/SB119330677925471200.html?mod=yahoo_hs&ru=yahoo

Other News

Update: BioEnergy's Bio Marion Ethanol Plant in South Dakota Began Production in February

BioEnergy announced its 110 million gallon per year Bio Marion ethanol plant began production in February.

Business Wire, 15:30 March 11, 2008

U.S. Ethanol Usage Needs to Expand Dramatically to Meet 2012 Renewable Fuel Standards, Consulting Firm Says

According to a recent report from consulting firm Baker & O'Brien, use of E10 gasoline and other ethanol blends containing 10% ethanol would have to expand dramatically over the next three years for the country to meet the new 2012 renewable fuel standard. Some ways to do this include shifting to 10 percent ethanol blends throughout California and in all major metropolitan areas and blending ethanol year round in areas that just use ethanol during winter.

<http://www.platts.com/Oil/News/6814053.xml?p=Oil/News&sub=Oil>

Energy Prices

U.S. Oil and Gas Prices			
March 12, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	109.35	103.53	58.94
NATURAL GAS Henry Hub \$/Million Btu	9.85	9.21	6.81

Source: Reuters

Energy Notes

Valero's 190,200 b/d Delaware City, Delaware Refinery Emits Gas after Valve Breaks March 12

Bloomberg, 03:05 March 12, 2008

Contract Worker Fatally Injured at ExxonMobil's 503,000 b/d Baton Rouge, Louisiana Refinery March 11

Bloomberg, 11:15 March 12, 2008

Equipment Malfunction Reported at ConocoPhillips's 146,000 b/d Borger, Texas Refinery March 12

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=104828>

OPEC's Crude Oil Basket Price Above \$100/bbl for First Time March 12

http://www.rigzone.com/news/article.asp?a_id=58189

Overtaken Tanker Truck Spills 4,000 Gallons of Gasoline, Shuts Interstate in Tennessee March 11

<http://www.firerescue1.com/news/390673/>

Pemex Begins Developing its Holok-Temoa Natural Gas Field in Gulf of Mexico March 11 – Deepest Venture within Gulf of Mexico

http://www.rigzone.com/news/article.asp?a_id=58147

ExxonMobil, ConocoPhillips, BP and Anadarko All Comment on TransCanada's North Slope Natural Gas Pipeline Proposal March 12

www.gov.state.ak.us/agia

http://www.downstreamtoday.com/News/Articles/200803/ExxonMobil_Critiques_Alaska_Gasline_Prop_9290.aspx

BP Products Pipeline Ruptures in Iowa, Leaking More than 806 Barrels of Fuel March 11

<http://www.kansascity.com/news/local/story/527188.html>

Update: South Dakota Pubic Utilities Commission Approves TransCanada's Permit to build its 220-mile Keystone Crude Pipeline through South Dakota

<http://www.keloland.com/News/NewsDetail6371.cfm?Id=0.67346>

EPA Administrator to Announce National Ambient Air Quality Standards for Ozone March 12

<http://yosemite.epa.gov/opa/advpress.nsf/dc57b08b5acd42bc852573c90044a9c4/3dd3d6418546c6278525740a0058fe1e!OpenDocument>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov